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Docket No. S-03435A-01-0000

BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL
Chairman
JIM IRVIN
Commissioner
MARC SPITZER
Commissioner

AZ CORP COMMISSION
DOCUMENT CONTROL

In the matter of

JAMES T.M. VERBIC
(CRD # 2125770)
7880 N. 71st Street
Paradise Valley, Arizona 85253

Arizona Corporation Commission
DOCKETED

AUG 02 2002

DOCKETED BY

Respondent.

DOCKET NO. S-03435A-01-0000

**SECURITIES DIVISION'S WITNESS
AND EXHIBIT LIST**

The Securities Division (the "Division") of the Arizona Corporation Commission (the
"Commission") hereby submits the following list of witnesses and exhibits.

I.

WITNESSES

1. The Division expects to call the following witnesses for its case-in-chief at the hearing:

a. Lisa Busse, Special Investigator, Arizona Corporation Commission, Securities Division.

Ms. Busse's testimony will concern the Division's investigation and its results, including but not limited
to the sources of documentary evidence that will be offered by the Division.

b. Gary Paster, non-party witness. The Division has previously provided the Respondent
with information concerning how to contact Mr. Paster, and in fact, Respondent has taken Mr. Paster's
deposition, having received the Division's assistance in arranging a date and time and in securing Mr.
Paster's acceptance of a subpoena to appear for deposition.

c. James Verbic, Respondent. The Division will call Mr. Verbic by reading into the record portions of the testimony he gave under oath during investigative interviews by the Division. The Division may also call Mr. Verbic to testify then and there, at the hearing.

d. The Division *may* call Brenda Barger Verbic, either by reading into the record portions of her testimony under oath or by calling her then and there, at the hearing. A final decision has not yet been made regarding this witness.

The Division reserves the right to call any witness listed by Respondent, whether or not the witness is called by the Respondent. The Division further reserves the right to call one or more witnesses not named here, for purposes of rebuttal.

II.

EXHIBITS

The Division intends to use the following exhibits at the hearing:

Exhibit No.	Description
S-1	Tax refund check written to JT & BB Verbic
S-2	Arizona DMV record for Brenda Barger Verbic
S-3	Composite exhibit: Maricopa County, Arizona, Recorder records: one recorded UCC Financing Statement and three recorded deeds, each bearing the name Brenda Verbic (no middle initial)
S-4	Composite exhibit: Bank business records showing various accounts bearing the name Brenda (B.) Verbic
S-5	Letter dated 5/20/99, written by Jesse B. Simpson, Esq., of Lewis and Roca LLP, to Gary Paster, on behalf of Simpson's clients: James and Brenda Verbic, together with letter dated 6/14/99 from Simpson to James and Brenda Verbic, regarding preparation of an interest check and obligations owed under a promissory note
S-6	FedEx Corporation business record: Airbills dated 1-19-99, 4-9-99, 4-26-99, 3-11-97, 12-11-97, 12-12-97, 7-16-98

1	S-7	Excerpts from Merrill Lynch Compliance Outlines for Financial Consultants: "Financial Arrangements with Clients"
2	S-8	Excerpt from Merrill Lynch policy manual, numbered 02.6.10, re: "Outside Activities"
3	S-9	James T. Verbic's written statements to Merrill Lynch regarding his "Outside Interests," dated January 9, 1997, December 1997, and January 5, 1999
4	S-10	Monthly Activity Review sheet for a Paster account at Merrill, dated September 1996, AE Verbic and Smith
5	S-11	October 1996 loan from Paster to Verbic: Paster's cover folder for Exhibits S-12 and S-13
6	S-12	October 1996 loan: \$30,000 check by Paster to Brenda Verbic, and associated FedEx Airbill
7	S-13	October 1996 loan repayment: One BankOne Official check for \$16,500, and four Bank of America Cashiers Checks, for \$3,980, \$5,000, \$5,000, and \$7,000, all in the name of Brenda Verbic, together with associated FedEx Airbills (except no Airbill for the \$16,500 check) dated 3-11-97, 12-11-97, 12-12-97, and 7-16-98
8	S-14	August 8, 1997 loan from Paster to Verbic, and offer by Paster and Verbic to buy Internext stock: Paster's cover folder for Exhibits S-15 through S-17
9	S-15	August 8, 1997 loan and offer to buy Internext stock: IOU dated 8/8/97 executed by Brenda Verbic, promising to pay \$50,000 to Gary Paster, faxed from JT Verbic phone number on 8-8-97.
10	S-16	August 8, 1997 loan and offer to buy Internext stock: Page 7 from August 7, 1997 registration statement draft (full copy of same is Exhibit S-28)
11	S-17	August 8, 1997 loan and offer to buy Internext stock: Paster letter to Kondamoori, dated 8-8-97, and associated Fedex Airbill
12	S-18	January 19, 1999 loan from Paster to Verbic: Paster's cover folder for Exhibits S-19 through S-21, and S-24
13	S-19	January 19, 1999 loan: Handwritten promissory note by Brenda Verbic and James T. Verbic, payable to Gary Paster, for \$30,000, showing transmission by fax from JT Verbic phone number on 1-18-99
14	S-20	January 19, 1999 loan: "Notarized" promissory note by Brenda Verbic and James T. Verbic, payable to Gary and Cynthia Paster, for \$30,000, and associated Fedex Airbill showing delivery from Verbic in Paradise Valley to Paster in Sedona, ship date 1-19-99
15	S-21	January 19, 1999 loan: Check by Gary Paster payable to Brenda Verbic for \$30,000, dated 1-19-99, and associated Fedex Airbill showing delivery from Paster in Sedona to Verbic in Paradise Valley, ship date 1-19-99

S-22	January 19, 1999 loan: Verbic bank account record showing deposit of \$24,000 (\$30,000 check less \$6,000 cash received) on 1-20-99, and the other uses of the loan proceeds (American Express bill and Brian Scully "for BJ Music")
S-23	Intentionally reserved number
S-24	January 1999 loan repayment: Bank of America cashier's checks, \$8,440 dated 4-9-99, and \$18,160 dated 4-26-99, together with account statement by Brenda Verbic, and associated Fedex Airbills
S-25	First statement for account titled James T Verbic DBA BJ Music, showing account opened 10-13-99
S-26	Letter by Verbic's attorney to New York Stock Exchange investigator, dated 4-7-00, providing Verbic's response to several complaints by various Verbic customers and Verbic's termination by Merrill Lynch – information other than discussion of the BJ Music business and January 1999 loan redacted
S-27	Two pages from the notary record book of Beverly Williams-Ervin
S-28	Registration Statement on Form S-3, for Nuko Information Systems, Inc., as filed with SEC on 8-7-97
S-29	ACC Registration Certificate: James Verbic

The Division may also introduce a copy of a settlement agreement between Merrill Lynch and the Pastors, that resolved an NASD arbitration. A copy of this document has always been in the possession of Respondent or his attorneys. The Division reserves the right to use any exhibit listed by Respondent, whether or not introduced by Respondent. The Division further reserves the right to use additional exhibits that may be collected or identified between the date of the above list and the close of the hearing. In addition, the Division may use exhibits that are not listed above, for purposes of rebuttal.

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1 The above lists are subject to amendment and/or supplement at any time prior to or during the
2 scheduled hearing.

3 Respectfully submitted this 2nd day of August, 2002.

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5 JANET NAPOLITANO, Attorney General
Consumer Protection and Advocacy Section

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8 Amy J. Leeson
9 Special Assistant Attorney General
Attorneys for the Securities Division,
Arizona Corporation Commission

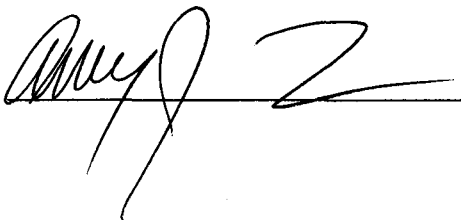
10 ORIGINAL AND TEN COPIES filed with
Docket Control the 2nd day of August, 2002

11 Copy, with exhibit book, hand delivered the
12 2nd day of August, 2002, to:

13 Philip Dion, Hearing Officer
14 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

15 Copy delivered by facsimile, and
16 Copy, with exhibit book, delivered by Fedex the
17 2nd day of August, 2002 to:

18 Michael Ference, Esq.
19 Sichenzia, Ross, Friedman & Ference. L.L.P.
1065 Avenue of the Americas, 21st Floor
New York, New York 10018

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